

# Premium Finance at a Glance

**Overview:** This course is designed to provide a basic overview to independent agents of how premium financing works.

## Timeline:

### Premium Finance in a Nutshell

- 00:00 to 00:10
  - What is premium finance?
  - How big is premium financing?
  - Parties Involved

### Who Benefits from Premium Financing?

- Agent Benefits
- Wholesaler/Carrier Benefits
- Insured

### How Does Premium Financing Work?

- 00:10 to 00:20
  - Components of the Loan that Determine the Risk
  - Policy Premium Taxes & Fees
  - Collateral
  - Pro-Rata vs. Short Rate
  - Terms & Structural/Exposure
- 00:20 to 00:30
  - Definition of Exposure
  - Exposure Schedules
  - Contract Provisions that Determine Risk
  - Minimum and Fully Earned Premiums
  - Different Types of Earnings
  - Cancellation
  - Policy Types

### Responsibilities of Each Party

- 00:30 to 00:40
  - Insured Responsibilities
  - Agent/Broker Responsibilities
  - MGA/Carrier Responsibilities
  - Finance Company Responsibilities
- 00:40 to 00:50
  - Pitfalls and How to Avoid Them

## How to Get the Most Out of Your Premium Finance Company

- 00:50 to 01:00
- Online Access
  - Reporting Options
  - Additional Tools
  - Cancellation Avoidance Tools

**Time required:** One hour

**Materials required:** PowerPoint presentation with the content of the course